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Thailand

Grain and Feed

Weekly Rice Price Update

2006

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Report Highlights:

Export prices eased slightly due to more exportable supplies.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Mar. 27):

| Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.) | | | | | | | | | |
|---|-----------------------|-----|-----|----|-----|-----|-----|-------------|------|
| | Exporter Observations | | | | | | | Period Avg. | |
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 465 | 435 | 460 | - | 460 | 432 | - | 450 | 452 |
| WR 100 B | 310 | 310 | 312 | - | 307 | 305 | 303 | 308 | 309 |
| PB 5% | 290 | 295 | 302 | - | 296 | 295 | 300 | 296 | 299 |
| WR 5% | 305 | 305 | 307 | - | 303 | 299 | 298 | 303 | 304 |
| WR 10% | 296 | 297 | 304 | - | 300 | 294 | 293 | 297 | 299 |
| WR 15% | 287 | 292 | 291 | - | 285 | 282 | 288 | 288 | 290 |
| WR 25% | 269 | 272 | 275 | - | 268 | 264 | 283 | 272 | 275 |
| WR 35% | 267 | - | - | - | 264 | 262 | 280 | 268 | 272 |
| A 1 SUP | 218 | 218 | 216 | - | 215 | 212 | 214 | 216 | 217 |
| A 1 SPEC | 216 | 216 | 214 | - | 213 | - | 212 | 214 | 215 |
| Source: Average actual prices received from exporters | | | | | | | | | |

Market Tone

Export prices for most grades of rice eased slightly due to more exportable supplies. The harvest of the second crop is in progress with anticipated bumper supplies in March – April, accounting for around half of the total of the second crop's harvest. Also, the government intervention program for the second crop is reportedly less aggressive in response to the current political chaos and few rice mills are participating in this program. Foreign demand is still quiet, as prices remain high due to the strengthening of the Thai baht. Potential buyers are mainly in Iran and Iraq. Iran recently concluded a deal with President Agri Trading for 99,000 tons of 100% B grade white rice at U.S.\$ 297/MT FOB, far below current market prices. Trade sources expected more inquiring from these countries, especially when prices are lower than current market prices. However, the market opportunity is still limited, as domestic prices will likely surge again when the new Government is established soon.

The Government's Tender of Fragrant Rice by Companies

| Company | Bidding Price U.S.\$/MT FOB | Quantity (Metric Ton) |
|-------------------------------|--------------------------------|--------------------------|
| C.P. Intertrade | 435.00 | 12,583 |
| | 431.00 | 6,740 |
| | 426.00 | 4,089 |
| | 421.00 | 9,287 |
| Asia Golden Rice | 402.00 | 4,089 |
| International Rice & Products | 400.00 | 4,697 |
| Mengtai | 390.00 | 4,089 |
| Phonglap | 386.00 | 4,089 |
| Golden Harvest Rice Mill | 386.00 | 6,783 |
| Tonghuo Rice | 374.00 | 4,888 |
| Thai Ha | 360.00 | 9,287 |

Source: Department of Foreign Trade, Min. of Commerce

As for the Government's tender of 200,000 tons of fragrant rice last week, the Thai Commerce Ministry still holds their stocks as the bidding prices (as shown in the table below) were considered to be too low, compared to the target prices of U.S.\$ 460-165/MT. As a result, the outstanding stock of MY 2004/05 fragrant rice from the intervention program is still at around 900,000 tons. Meanwhile, the stock of MY 2005/06 intervention program totaled around 3.4 million tons, of which 1.7 million tons were fragrant rice, and 1.6 million tons were white rice.

The following are the reported rice exports (as is basis):

| WEEK ENDING | QUANTITY | 4-WK AVG | YEAR TO DATE | YEAR AGO |
|----------------|----------|----------|-----------------|----------|
| | (MT) | (MT) | (TMT) | (TMT) |
| FEB 5 | 66,774 | 90,288 | 431 | 681 |
| FEB 12 | 120,706 | 94,109 | 551 | 778 |
| FEB 19 | 86,753 | 95,098 | 638 | 893 |
| FEB 26 | 99,974 | 93,552 | 738 | 977 |
| MAR 5 | 89,876 | 99,327 | 828 | 1,049 |
| MAR 12 | 72,466 | 87,267 | 900 | 1,136 |
| MAR 19 | 75,974 | 84,573 | 976 | 1,234 |
| MAR 26 | 85,814 | 81,032 | 1,062 | 1,322 |

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Mar. 20-26 totaled 85,814 tons, up 9,839 tons from the previous week's total, and up 4,781 tons from the four-week moving average of 81,032 tons. Exports during Jan. 1 – Mar. 26, 2006 totaled 1,062,157 tons, as compared with 1,322,163 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Mar. 20, 2006, amounted to 1,477,977 tons, down 11 percent from 1,669,610 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Mar. 6-10, Mar. 13-17, and Mar. 20-24, 2006 are as follows:

| Movement (MT) | Mar. 6-10 | Mar. 13-17 | Mar. 20-24 |
|--------------------|-----------|------------|------------|
| weekly sales | 157,706 | 100,917 | 195,516 |
| 4 week sum | 477,520 | 473,164 | 518,753 |
| 4 week mov. avg. | 119,380 | 118,291 | 129,688 |
| Total weekly sales | 1,131,950 | 1,232,867 | 1,428,383 |

End of Report.